

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
OCTOBER 22, 2015
BRIELLE BOROUGH MUNICIPAL BUILDING
1:30 PM**

Meeting called to order by Chairman Thomas Nolan. The Open Public Meeting notice read into record.

PLEDGE OF ALLEGIANCE

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2014 EXECUTIVE COMMITTEE:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
Adeline Schmidt	Township of Shrewsbury	Present
EXECUTIVE	COMMITTEE	
OPEN	Borough of Ship Bottom	Absent
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsean	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
ALTERNATES:		
Adam Hubeny	Borough of Atlantic Highlands	Present
Jane Marban (Gillespie)	Borough of Spring Lake	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval	Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics Jozsef Pfeiffer	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Present
Network & Medical Claims Service	Qualcare Inc.	Sharon Seitzman Jerry Eisenberg Gary Epstein	Absent Present Present
Network & Medical Claims	Aetna	Kim Ward	Present

Service			
Dental Claims Service	Delta Dental	Christa O'Donnell	Absent
Rx Administrator	Express Scripts	Susan Wolf Paul Grew	Absent Absent
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Rob Parisi, Aberdeen RMC
 Donato Nieman, Montgomery
 Diane Peterson, Conner Strong
 Ted Wardell, Grinspec
 Cindy Lisa, Danskin Agency

APPROVAL OF MINUTES: SEPTEMBER 24, 2014 OPEN:

MOTION TO APPROVE OPEN MINUTES OF SEPTEMBER 24, 2014:

MOTION: Commissioner Gilsenan
SECOND: Commissioner Schmidt
VOTE: 7 Ayes, 0 Nays

PRO FORMA REPORTS

- **Fast Track Financial Report** – as of August 31, 2014
- **Cash Flow Report** – as of August

Executive Director said the financial fast track shows an 11.7 million surplus. Fund Year 2014 is performing very positive and leveling out the prior two years of deficits.

2015 BUDGET ADOPTION - A copy of the 2015 proposed budget that was updated per the Executive Committee requests at the September meeting. Updated assessments are also included. Draft rates have been released to all members which included the changes reflected in this budget. Final rates will be included in member Open Enrollment packets.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2015 BUDGET

MOTION: Commissioner Gilsenan
SECOND: Commissioner Schmidt
VOTE: Unanimous

Commissioner Cevetello thanked the professions for keeping the renewal controlled and at a reasonable increase.

MOTION TO CLOSE THE PUBLIC HEARING

MOTION: Commissioner Gilsenan
SECOND: Commissioner Schmidt
VOTE: Unanimous

MOTION TO APPROVE THE 2015 BUDGET IN THE AMOUNT OF \$39,728,394 AND CERTIFY THE ASSESSMENTS.

MOTION: Commissioner Gilsenan
SECOND: Commissioner Schmidt
VOTE: Unanimous

ADMINISTRATION

PRO FORMA REPORTS

- **Regulatory Compliance Checklist** – as of October 2014

INDEMNITY AND TRUST AGREEMENTS - A few months ago, PERMA sent Indemnity and Trust Agreements and Resolutions to be adopted by the governing body to renew membership with the Fund for an additional 3 years. Below is a list of members who have renewing agreements due by January 1, 2015 and older:

Borough of Matawan	12/31/2011
Borough of Manasquan	12/31/2012
Keyport	10/1/2013
Borough of Red Bank	12/31/2013
Lakewood Fire District	12/31/2013
West Long Branch	12/31/2014
Borough of Interlaken	1/1/2015
Eatontown Sewerage Authority	1/1/2015
Englishtown Borough	1/1/2015
Ship Bottom Borough	1/1/2015
Township of Aberdeen	1/1/2015
Borough of Neptune City	1/1/2015

BENEFITS OPERATIONS

PRO FORMA REPORTS

- **Claim Appeals** – none

ENROLLMENTS - All enrollment and billing questions should be directed to our dedicated enrollment team. The CJHIF enrollment team may be contacted via email at cjhifenrollments@permainc.com or by facsimile at 856-685-2258.

OPEN ENROLLMENT - Open Enrollment will be held November 3 – 24, 2014. All Open Enrollment materials are in the process of being printed and will be shipped to each group representative by October 31st. PERMA will handle sending Open Enrollment information directly to COBRA and retiree members. Samples have been attached with the distribution of the agenda.

This is a passive Open enrollment and only members who would like to make changes to their current plan elections should complete an enrollment form. Members who are making changes need to return their enrollment forms to HR contacts by November 24th. HR contacts can start entering Open Enrollment elections in the online enrollment system, starting on November 3rd. If any assistance or guidance is needed entering Open Enrollment elections, HR reps should reach out to PERMA's dedicated CJHIF Benefit Administrator, Marlene Robinson. Marlene can be reach by phone at 856-552-4818 or any questions can be sent to the CJHIF enrollment team's email address at CJHIFenrollments@permainc.com. All enrollments forms need to be entered in the online enrollment system by December 5th to ensure ID cards are received by January 1, 2015.

ONLINE ENROLLMENT SYSTEM TRAINING - The majority of our groups are compliant with the mandatory usage of the online enrollment system and have been using the system successfully. PERMA will no longer accept paper enrollment forms after 10/31/2014. We have one more training session schedule for Tuesday, October 21st at 2:00 pm. If you would like to attend this session or you require additional training, please contact Karen Kidd at PERMA by email at kkidd@permainc.com or by phone at 856-552-4644. Program Manager thanked the Commissioners for their participation, the Fund currently has 95% enrolled.

AETNA NEW ID CARDS 1-1-15 - All communications regarding the issuance of Aetna New ID Cards were distributed electronically on October 10th to all Business Administrators/Benefits Administrators. Samples of these communications have been provided. Program Manager said there a link between the old ID number and the new number will exist in case ID cards do not arrive in time or a member does not present the new number to the provider.

EXPRESS SCRIPTS-ACCREDO TRANSITION - Specialty pharmacies CuraScript and Accredo are now joined under Express Scripts. After November 1st, specialty medications for the CJHIF will be provided by Accredo Health Group, Inc. Your members will be notified via letter prior to the transition. Samples of the letter and an Accredo brochure have provided. In response to Commissioner Cevetello, Program Manager said that specialty drugs are prescriptions for life altering diseases and conditions, ie. Cancer and Hepetitis C.

EXPRESS SCRIPTS - TREND FORECAST SUMMARY - Several pipeline products will influence drug spend significantly by the end of 2015. Highlighted below are three drugs that have the potential to affect trend considerably.

- Chronic Hepatitis C: New all-oral hepatitis C regimens aimed at eradicating genotype one disease are projected to cost more than Sovaldi®. Furthermore, some are positioned to treat up to 75% of US hepatitis C patients. High spend for treating hepatitis C will continue in the near term.
- Cancer: More than 1,000 targeted cancer treatments, many genetically guided, are under development. For example immunotherapies targeting the cellular checkpoint PD-1 have the potential to improve outcomes for a patient cost around \$10K
- Diabetes: The next generation of long-acting (basal) insulins may offer improved clinical benefit over Lantus®. If late stage trials confirm improved patient benefit, these products will become the standard of care, shifting the diabetes market to the newer branded basal insulin products for the next decade.

SHINGLES AND TETNUS VACCINES - Historically, these vaccines have been covered through medical insurance however; Medicare has decided that they will no longer be covered under Part B but are now deemed Medicare Part D drugs. Medicare Advantage plans do not cover Medicare Part D. In order to adhere to our equal to or better than obligations, PERMA has had to create a workaround to cover the vaccines through Express Scripts.

HEALTH PLAN IDENTIFIERS (HPID) UNDER HIPPA - As of September 5, 2012, the Department of Health and Human Services (HHS) released a final rule adopting an HPID standard. The primary purpose of the HPID is for use in standard transactions. As such, the HPID replaces the proprietary health plan identifiers that vary in lengths and format. It is a 10-digit, numeric code similar to a credit card number.

PRO FORMA REPORTS

- **Fast Track Financial Report** – as of August 31, 2014
- **Cash Flow Report** – as of August 2014

TREASURER: Fund Treasurer reviewed his report.

Bills lists:

October 2014 – Resolution 20-14

FUND YEAR 2014	347,539.87
TOTAL ALL FUND YEARS	347,539.87

MOTION TO ADOPT RESOLUTION 20-14 TO PAY OCTOBER 2014 BILLS LIST

MOTION: Commissioner Cevetello
SECOND: Commissioner Schmidt
VOTE: 7 Ayes, 0 Nays

MOTION TO APPROVE BALANCE OF TREASURER’S REPORTS AS SUBMITTED:

MOTION: Commissioner Schmidt
SECOND: Commissioner Cevetello
VOTE: Unanimous

ATTORNEY: Fund Attorney said there is one matter for closed session.

QUALCARE: Mr. Epstein distributed claim payment reports, which showed 26.9 million total charges and \$9.3 million in total spent, year to date. The high dollar claim reports did not include one recent claim, but will be reflected on next months claims. He said all other high claimants were reviewed.

In addition, he said he had just attended an open enrollment at Manchester, which was very active. He will be happy to come to all other members.

Lastly, he said there are new wellness tools on the Qualcare website including a health risk assessment. Mr. Epstein will check if there is a member report option to determine total number of employees using the website

AETNA: Report was included in the agenda

EXPRESS SCRIPTS: No Report

DELTA DENTAL: No report

NEW BUSINESS: No Report

OLD BUSINESS: Executive Director said the RFP for Pharmacy Benefit Manager has been released. We are expecting 5-7 responses.

PUBLIC COMMENT: None

MOTION TO ENTER EXECUTIVE SESSION FOR CONTRACT DISCUSSION.

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Gilsenan
VOTE:	Unanimous

MOTION TO AUTHORIZE EXECUTIVE DIRECTOR TO APPROVE FUND ATTORNEY NECESSARY STEPS TO AETNA'S LITIGATION ON BEHALF OF THE FUND.

MOTION:	Commissioner Lapp
SECOND:	Commissioner Hubeny
VOTE:	7 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Schmidt
VOTE:	Unanimous

MEETING ADJOURNED: 1:55 PM